

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. RPU-02-3 RPU-02-8
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ORDER REQUIRING ADDITIONAL INFORMATION

(Issued September 27, 2002)

In its review of Interstate Power and Light Company's (IPL) pending rate case, the Utilities Board (Board) has some questions and information requests for the hearing scheduled for October 22, 2002, that may be difficult for IPL's witnesses to answer because the responses may require information from persons other than those who have filed prefiled testimony. In order to obtain complete responses and to allow all parties the opportunity to review the responses prior to hearing, the Board will direct IPL to provide the information within ten days from the date of this order. For each answer, IPL will be required to identify the person or persons providing the response and, in addition, identify who will be available at hearing if the Board has additional policy questions regarding research and development expenditures and policies.

IPL will be required to provide the following additional information:

1. What level of funds did IPL expend during the test year on research and development? Specify Electric Power Research Institute (EPRI)

business areas and individual projects (i.e., tailored collaborations) that received funding.

2. Identify IPL personnel who were members of EPRI committees during the test year.

3. How many hours of IPL staff time, by individual employee, were assigned to research and development during the test year?

4. On a year-to-date basis, identify any reductions in EPRI participation, whether funding, personnel, or time, subsequent to the test year.

5. Compare test year EPRI expenditures with the two immediate prior calendar years.

6. Identify IPL's goals and objectives in EPRI participation.

7. Are accomplishments of the goals and objectives referred to in response to Item 6 above in any way reflected in incentive compensation of IPL's employees, including executives?

8. Explain how IPL's participation in EPRI's project called consortium for an electric infrastructure to support a digital society (CEIDS) will affect and/or coordinate with IPL's other EPRI activities.

9. Explain how EPRI activities that IPL is funding, including the CEIDS project, will benefit Iowa ratepayers.

10. Explain the level of Alliant Energy's Board of Director oversight of IPL's EPRI research and development activities, including expenditures.

11. At page 11 of witness Berensten's rebuttal testimony, lines 20 through 23, he states that "[i]ncluding interruptible discounts and the interruptible service program in the Energy Efficiency Program will allow for systematic review of the program's features within the same parameters used to evaluate other energy efficiency programs." Will IPL provide, in its new energy efficiency plan filing, a complete description of its interruptible program or programs, including proposed goals and benefit-cost analysis? Also, will IPL include in the plan filing a discussion of past results of its interruptible program, sufficient to illustrate the value and potential of including this program among energy efficiency programs? If not, why not?

12. On page 8 of IPC witness Hampsher's direct testimony, at lines 4-7, he states that "the former IPC method for allocating costs among jurisdictions was examined with the intent to preserve its basic philosophy, since it had been accepted by the Board in past rate proceedings." IPL seems to allocate costs to state jurisdictions only, without a separate FERC or wholesale jurisdiction, with wholesale revenues credited to the state jurisdictions. Yet, in IPC's last Iowa electric rate case (Docket No. RPU-95-1), IPC allocated costs to a separate FERC or wholesale jurisdiction. Similarly, the class cost-of-service study in IES's last Iowa electric rate case (Docket No. RPU-94-2) included a separate "resale" class. Has IPL changed its jurisdictional cost allocation methodology to discontinue the use of a separate

FERC or wholesale (or resale) jurisdiction and, if so, why? Does this change produce a higher or lower Iowa jurisdictional revenue requirement, and why?

IT IS THEREFORE ORDERED:

Interstate Power and Light Company shall provide the information identified in this order within ten days from the date of the order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 27th day of September, 2002.